

U.S.-Panama Trade Promotion Agreement Market Access Results

Paper and Paper Products

Trade and Tariffs

This sector is defined by the World Trade Organization's Uruguay Round sector agreement on paper.

Paper and paper products accounted for 3.3 percent of U.S industrial exports to Panama in 2006, totaling \$72 million. The top U.S. exports in this sector included kraft liner, specialty creped paper, corrugated paper, and folding cartons. Panamanian tariffs range between zero and 15 percent, with an average of 7.3 percent.

Panamanian exports of paper and paper products to the United States totaled nearly \$4.8 million in 2006, or 2.4 percent of Panama's industrial exports to the United States. Top Panamanian exports to the United States included toilet paper, handkerchiefs, and paper trays and plates. The United States is a signatory of the Uruguay Round sector agreement and as a result imposes zero duties on these products on an MFN basis.

Tariff Elimination

Tariffs will be phased-out according to four tariff elimination categories: immediate elimination; linear cuts over five years; linear cuts over ten years; and nonlinear cuts over ten years. Tariff elimination under the nonlinear ten-year staging category will proceed with a 3 percent cut in the tariff in years one and two, a 5 percent cut in years three through six, an 18 percent cut in years seven and eight, and a 19 percent cut each in years nine and ten.

For paper products, 82 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the Agreement. Tariffs on another 3 percent of exports will be eliminated over five years. Duties on the remaining 15 percent of U.S. exports will be eliminated over ten years.

Priority U.S. industrial goods including newsprint, kraft liner, and sanitary paper goods will receive duty-free treatment immediately upon implementation of the Agreement.